

Senate Group Expands Study Of Newspaper Operations

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WASHINGTON, Sept. 11 — The Senate antitrust and monopoly subcommittee has decided to expand its investigation of the newspaper industry into four additional areas. They will study the exclusivity of syndicated features and columns, pricing practices of the wire services, newsprint costs and the demise of the New York World Journal Tribune.

The hearings, which opened July 12, have aroused so much controversy and raised so many questions that they are expected to extend into next year. Already, the course of the hearings has made it appear unlikely that the subcommittee would recommend legislation in the form under consideration.

The basis for the investigation is a bill introduced by Senator Carl Hayden (Dem.), Arizona, that would exempt from the antitrust laws a merger or joint operating agreement between a "failing" and an economically healthy newspaper.

Aimed at Tucson

The bill was specifically intended to protect the joint operation of two Tucson newspapers, the Daily Citizen and the Daily Star, now under attack by

the antitrust division of the Department of Justice. It would also protect more than 20 other joint newspaper operations.

The hearings, which were recessed Aug. 15 until later in the year, probably December, showed widespread disagreement within the publishing field as to the merits of the bill. Of the 40 witnesses who testified, 25 expressed opposition to the bill.

Most of these witnesses contended that newspapers should not be given a blanket exemption not available to other businesses, and that the legislation would foster monopolies and chain operations.

Advocates of the bill said it would preserve independent editorial voices by reducing the publishing costs through the merger of the business side of newspapers.

Questions Listed

These are the chief questions that the subcommittee wants answered:

(1) Is the practice of syndicates in granting to a newspaper within a large geographical area the exclusive right to their columns and features a violation of the antitrust laws and how does this practice affect

the chances of a new newspaper trying to break into the market?

(2) Do the pricing policies of the news services discourage the starting of a new newspaper? Witnesses complained of being required to pay at least a year in advance at the top price for the market or of not being able to acquire a basic wire service at any price when starting a new paper.

(3) Do newsprint companies give special discounts to some newspapers, making it difficult for others to compete with them? The subcommittee is particularly interested in newspapers that hold stock in newsprint companies.

(4) What were the causes of the death of the World Journal Tribune earlier this year? The paper was the result of a merger of three New York papers owned by the Hearst, Scripps

Howard and Whitney interests. The subcommittee is expected to look especially into the management decisions that may have contributed to the demise.